

SPEAKER BAACK: Okay, we will proceed where we left off this morning. We will proceed to LB 773 introduced by the Revenue Committee.

ASSISTANT CLERK: LB 773 was introduced by the Revenue Committee, and signed by its members. (Read title.) The bill was read for the first time on January 23rd of this year. It was referred to the Revenue Committee. That committee reports the bill to General File with committee amendments, Mr. President. (See AM0518 on page 904 of the Legislative Journal.)

SPEAKER BAACK: The Chair of the Revenue Committee, Senator Hall.

SENATOR HALL: Thank you, Mr. Speaker, members. The bill, as was explained by the Clerk, is a traditional clean-up bill for the Department of Revenue. It deals with a number of issues, and rather than go into explaining them in detail, there is a very good committee statement, that if you would open your books to LB 773, it lists 15 different sections or areas where changes are made. I will touch on the ones that are more than technical, if you will, and then explain the committee amendments. Number four is an issue that will come up again. Number four deals with the exemption with regard to newspapers and magazine subscriptions. There is a committee amendment that deals with that. And it is my understanding there is also an amendment from the floor to the committee amendments that will deal with that. So we will touch on that later. The other issues that are dealt with would be, if you go down to number nine on the page 2 of the explanation, number nine deals with the mutual funds, income from mutual funds that invest in federal securities. The change there is to comport with the federal requirement that the issue of federal funds cannot be taxed over and above their taxable, I guess, ability or their percentage of taxable requirement. In this case, the old formula said that if you had over 80 percent of your mutual funds invested in federal securities and they were taxable; if they were under 80 percent, they weren't taxable. Basically, that's fairly unconstitutional in its approach. It has to be a percentage basis and based on actual percentage and that is what this committee amendment does. Then, let's see, down on number eleven, the issue of withholding amount for nonresident partners currently is at 10 percent. The committee amendment expands